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FM AMEMBASSY CAIRO
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INFO ARAB ISRAELI COLLECTIVE
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C O N F I D E N T I A L CAIRO 007012

SIPDIS

NOTE BY CIB: "DO NOT/NOT PROCESS, GIVE TO EAO FOR GUIDANCE"

SIPDIS

E.O. 12958: DECL: 11/29/2016
TAGS: [PREL](#) [PGOV](#) [PTER](#) [EFIN](#) [MEPN](#) [KPAL](#) [EG](#) [IS](#)
SUBJECT: ANOTHER HAMAS MINISTER HAND-CARRIES CASH TO GAZA
VIA RAFAH CROSSING

REF: A. CAIRO 6936
[1](#)B. CAIRO 6910
[1](#)C. CAIRO 6879
[1](#)D. CAIRO 6839

CLASSIFIED BY MINISTER COUNSELOR FOR ECONOMIC AND POLITICAL
AFFAIRS WILLIAM R. STEWART FOR REASONS 1.4 (B) AND (D).

[1](#)1. (C) EGYPTIAN SOURCES HAVE CONFIRMED PRESS REPORTING THAT PALESTINIAN FOREIGN MINISTER MAHMOUD AL-ZAHAR HAND-CARRIED TWENTY MILLION DOLLARS IN CASH ACROSS THE EGYPT-GAZA BORDER AT RAFAH ON NOVEMBER 28. AL-ZAHAR, WHO LEFT CAIRO FOR TEHRAN ON NOVEMBER 12 SHORTLY AFTER ARAB MINISTERS ANNOUNCED PLANS TO "BREAK THE SIEGE" AGAINST THE PALESTINIANS (REF D), REPORTEDLY DECLARED THE FUNDS TO EGYPTIAN CUSTOMS OFFICIALS UPON ARRIVAL IN EGYPT, AND WAS PERMITTED TO CARRY THE CASH THROUGH RAFAH TO GAZA. DESPITE EARLIER ASSURANCES TO THE EMBASSY BY SENIOR GOE OFFICIALS (REFS B AND C) THAT ALL SUCH FUNDS WOULD BE DEPOSITED INTO A LOCAL BANK ACCOUNT (WHERE PRESUMABLY ANTI-TERROR FINANCE REGULATIONS WOULD PRECLUDE ONWARD TRANSFER TO THE HAMAS-LED PALESTINIAN AUTHORITY), THIS PROCEDURE WAS CLEARLY NOT APPLIED TO AL-ZAHAR.

[1](#)2. (C) CONTACTS AT THE MINISTRY OF FINANCE AND EGYPTIAN CUSTOMS CONFIRMED TO EMBOFF ON NOVEMBER 29 THAT THERE ARE PROCEDURES IN PLACE AT EGYPT'S RAFAH TERMINAL REQUIRING TRAVELERS TO DEPOSIT LARGE SUMS OF CASH INTO A BANK ACCOUNT AND WIRE TRANSFER IT TO THEIR BANK ACCOUNT RATHER THAN CARRY IT ACROSS THE BORDER. CUSTOMS OFFICIALS TOLD EMBOFF THAT IN MOST CASES, AMOUNTS OVER APPROXIMATELY \$1000 WERE CONFISCATED, DEPENDING ON WHO WAS CARRYING THE MONEY AND FOR WHAT PURPOSE. SINCE THE PROCEDURE WAS IMPLEMENTED "A MONTH AGO," THEY SAID, SEVERAL TRAVELERS WITH LARGE SUMS OF CASH HAVE BEEN PREVENTED FROM CROSSING THE BORDER WITH THEIR MONEY. RECENTLY REPORTED INCIDENTS, INCLUDING THE NOVEMBER 28 CASH TRANSFER BY THE PALESTINIAN FOREIGN MINISTER AND AN EARLIER CASH TRANSFER BY TWO HAMAS PALESTINIAN LEGISLATIVE COUNCIL MEMBERS (REF A), WERE "EXCEPTIONS" TO THIS PROCEDURE, AND WERE APPROVED TO CARRY THE CASH BY THE EGYPTIAN GENERAL INTELLIGENCE SERVICE, ACCORDING TO AN EMBASSY CONTACT AT THE MINISTRY OF FINANCE.

[1](#)3. (C) GENERAL NAGY OF THE MOD'S LIAISON AGENCY WITH INTERNATIONAL ORGANIZATIONS (LAWIO), AND RESPONSIBLE FOR SINAI BORDER LIAISON WITH THE ISRAELI DEFENSE FORCES, TOLD EMBOFF ON NOVEMBER 29 THAT PRESS REPORTS OF THE CASH TRANSFER BY PALESTINIAN FM ZAHAR VIA RAFAH OF USD \$20 MILLION WERE "ACCURATE," BUT DID NOT ELABORATE FURTHER.
RICCIARDONE